

UNITED STATES DEPARTMENT OF STATE
BUREAU OF ARMS CONTROL, VERIFICATION AND COMPLIANCE
WASHINGTON, D.C. 20520

_____)
In the Matter of:)
)
GEOMET Technologies, L.L.C.)
20251 Century Boulevard, Suite 300)
Germantown, MD 20874)
)
Respondent)
_____)

ORDER RELATING TO GEOMET TECHNOLOGIES, L.L.C.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has previously notified GEOMET Technologies, L.L.C. (“GEOMET”), of its intention to request that the U.S. Department of State (“State”) initiate an administrative enforcement proceeding against GEOMET in accordance with Section 719.5 of the Chemical Weapons Convention Regulations (the “CWCR”), and Section 103.7 of the Regulations for Implementation of the Chemical Weapons Convention and the Chemical Weapons Convention Implementation Act of 1998 on the Taking of Samples and on Enforcement of Requirements Concerning Recordkeeping and Inspections (“State Regulations”).¹ BIS accordingly issued a draft Notice of Violation and Assessment to GEOMET, alleging that GEOMET is liable for eight (8) violations of the CWCR, specifically:

¹ The CWCR are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 710-721 (2010), and the State Regulations are currently codified in the Code of Federal Regulations at 22 C.F.R. Part 103 (2010). The alleged violations occurred in 2004-2006. The regulations governing the violations at issue are found in the 2004-2006 versions of the Code of Federal Regulations. The 2010 Regulations establish the procedures that apply to this matter.

Charges 1 and 2 15 C.F.R. § 719.2(a)(2)(ii): Willful Failure or Refusal To Submit Any Report, Notice, or Other Information to the United States Government in accordance with the Act or the CWCR

For the annual declaration on past activities (ADPA) for calendar years (CY) 2004 and 2005, submitted to BIS on or about February 28, 2005 and on or about February 22, 2006, respectively, GEOMET willfully failed to declare storage of S-(2-diisopropylaminoethyl) methylphosphonothioic acid ("EA-2192"), a Schedule 1.A chemical under the CWCR, as required by Part 712 of the CWCR. Pursuant to Part 712 of the CWCR, storage of any Schedule 1 chemical must be declared in the ADPA. Information obtained by BIS in connection with the June 2006 inspection of GEOMET's facility and during BIS's subsequent investigation indicated that a vial of EA-2192 had been in storage at GEOMET since at least 2004. GEOMET failed to declare the storage of EA-2192 in its CY 2004 ADPA or CY 2005 ADPA, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to declare the storage of EA-2192 for the CY 2004 and 2005 ADPA declarations, GEOMET committed two violations of Section 719.2(a)(2)(ii) of the CWCR.

Charges 3 and 4 15 C.F.R. § 719.2(a)(2)(ii): Willful Failure or Refusal To Submit Any Report, Notice, or Other Information to the United States Government in accordance with the Act or the CWCR

For the CY 2005 ADPA submitted to BIS on or about February 22, 2006, GEOMET, a declared facility under Section 712.5 of the CWCR, willfully failed to declare the production and also failed to declare the consumption of O-Ethyl O-2-diisopropylaminoethyl methylphosphonite ("QL"), a Schedule 1.B chemical, as required by Part 712 of the CWCR. During the June 2006 inspection of its facility, GEOMET asserted that it produced QL as a precursor for the production of VX, but it did not declare this production of QL, or the consumption of QL in its production of VX, as required by Part 712 of the CWCR.

GEOMET failed to declare these production and consumption activities, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to declare the

production of QL and the consumption of QL in the production of VX in the 2005 ADPA declaration cycle, GEOMET committed two violations of Section 719.2(a)(2)(ii).

Charge 5 15 C.F.R. § 719.2(a)(2)(ii): Willful Failure or Refusal To Submit Any Report, Notice, or Other Information to the United States Government in accordance with the Act or the CWCR

For the CY 2005 ADPA submitted to BIS on or about February 22, 2006, GEOMET, a declared facility under Section 712.5 of the CWCR, willfully failed to declare the consumption of Di-isopropyl aminoethanol, a Schedule 2.B.11 chemical, as required by Part 712 of the CWCR. Di-isopropyl aminoethanol is a precursor for QL, a Schedule 1.B chemical, and is consumed in the production of QL. Section 712.5(a)(1) of the CWCR requires that any Schedule 2 chemical consumed to produce a Schedule 1 chemical must be declared. During the June 2006 inspection of its facility, GEOMET asserted that Di-isopropyl aminoethanol was consumed in the production of QL, but the consumption of Di-isopropyl aminoethanol was not declared as required by the CWCR.

GEOMET failed to declare the consumption of Di-isopropyl aminoethanol, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to declare the consumption of Di-isopropyl aminoethanol in the 2005 ADPA, GEOMET committed one violation of Section 719.2(a)(2)(ii).

Charge 6 15 C.F.R. § 719.2(a)(2)(i): Willful Failure or Refusal To Establish or Maintain any Record Required by the Act or the CWCR

For the CY 2004 ADPA submitted to BIS on or about February 28, 2005, GEOMET, a declared facility under Section 712.5 of the CWCR, willfully failed to establish and maintain records related to the declared consumption and subsequent storage of Methylphosphonyldifluoride (DF), a Schedule 1.B chemical, as required by Part 721 of the CWCR. During the June 2006 inspection of its facility, BIS discovered the absence of records related to DF consumption and storage by GEOMET at its facility. GEOMET declared the consumption of DF in the CY 2004 ADPA, but did not establish or maintain records in support of that declaration relating to the consumption activity, or any amounts of DF that were not consumed and subsequently stored.

GEOMET failed to establish or maintain records regarding the consumption and subsequent storage of DF, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed

CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to establish or maintain records related to the consumption, and subsequent storage of DF, GEOMET committed one violation of Section 719.2(a)(2)(i) of the CWCR.

Charges 7 and 8 15 C.F.R. § 719.2(a)(2)(i): Willful Failure or Refusal To Establish or Maintain any Record Required by the Act or the CWCR

For the CY 2004 and CY 2005 ADPAs submitted to BIS on or about February 28, 2005 and on or about February 22, 2006, respectively, GEOMET, a declared facility under Section 712.5 of the CWCR, willfully failed to establish and maintain records, as required by Part 721 of the CWCR, concerning the storage of EA-2192, a Schedule 1.A chemical, on the premises. Information obtained by BIS in connection with the June 2006 inspection of GEOMET's facility and during BIS's subsequent investigation indicated that a vial of EA-2192 had been in storage at GEOMET since at least 2004.

GEOMET failed to establish or maintain records related to EA-2192, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to establish or maintain records related to the storage of EA-2192, GEOMET committed two violations of Section 719.2(a)(2)(i) of the CWCR.

WHEREAS, following receipt and review of the draft Notice of Violation and Assessment and consultation with legal counsel, GEOMET contacted BIS to discuss settlement of the allegations set forth in the draft Notice of Violation and Assessment;

WHEREAS, GEOMET and BIS have negotiated a settlement of the case and have prepared a proposed Settlement Agreement that GEOMET has executed and that the Director of BIS's Office of Export Enforcement has signed, indicating that he recommends the settlement pursuant to Section 719.19 of the CWCR.

WHEREAS, the proposed Settlement Agreement and the proposed Order constituting the recommended settlement have been forwarded to me, as the Secretary of

State's designee in this matter, for review pursuant to Section 719.19 of the CWCR and Section 103.9 of the State Regulations to determine whether the recommended settlement is in accordance with law; and

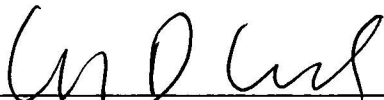
WHEREAS, I have determined that the recommended settlement is in accordance with law and have approved and signed the Settlement Agreement this day.

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$35,000 is assessed against GEOMET, which shall be paid in full by cashier's check or certified check made payable to the U.S. Department of State, within 30 days of the date of this Order. Payment shall be sent to the U.S. Department of State, Bureau of Arms Control, Verification and Compliance, Office of Chemical and Biological Weapons Affairs, 2201 C St., N.W., Washington, DC 20520-0000, ATTN: Kevin Farmer, AVC/CBW, Room 2803.

SECOND, that the draft Notice of Violation and Assessment, the Settlement Agreement, and this Order shall be made available to the public as set forth in Section 719.20(c) of the CWCR.

This Order, which constitutes final agency action in this matter, is effective immediately.



Kenneth D. Ward
Director, Office of Chemical and
Biological Weapons Affairs
Bureau of Arms Control, Verification
and Compliance
U.S. Department of State

Issued this 24 day of MARCH, 2011.

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between GEOMET Technologies, L.L.C. (“GEOMET”), the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), and the Bureau of Arms Control, Verification and Compliance, U.S. Department of State (“State”)(each a “Party” and, collectively, “the Parties”), pursuant to Section 719.19(a) of the Chemical Weapons Convention Regulations (“CWCR”), and Section 103.9(a) of the Regulations for Implementation of the Chemical Weapons Convention and the Chemical Weapons Convention Implementation Act of 1998 on the Taking of Samples and on Enforcement of Requirements Concerning Recordkeeping and Inspections (“State Regulations”).¹ The CWCR and the State Regulations are issued pursuant to the Chemical Weapons Convention Implementation Act of 1998 (the “Act”), 22 U.S.C. 6701-6771 (1998).

WHEREAS, BIS has notified GEOMET of its intention to request that State initiate an administrative proceeding against GEOMET, in accordance with Section 719.5 of the CWCR and Section 103.7 of the State Regulations;

WHEREAS, BIS has issued a draft Notice of Violation and Assessment alleging that GEOMET committed eight (8) violations of the CWCR, specifically:

¹ The CWCR are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 710-721 (2010), and the State Regulations are currently codified in the Code of Federal Regulations at 22 C.F.R. Part 103 (2010). The regulations governing the violations at issue are found in the 2004-2006 versions of the Code of Federal Regulations. The 2010 regulations establish the procedures that apply to this matter.

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Charge 5 **15 C.F.R. § 719.2(a)(2)(ii): Willful Failure or Refusal To Submit Any Report, Notice, or Other Information to the United States Government in accordance with the Act or the CWCR**

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GEOMET failed to declare the consumption of Di-isopropyl aminoethanol, even though GEOMET acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because GEOMET employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and GEOMET had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at GEOMET. In willfully failing to declare the consumption of Di-isopropyl aminoethanol in the 2005 ADPA, GEOMET committed one violation of Section 719.2(a)(2)(ii).

Charge 6 **15 C.F.R. § 719.2(a)(2)(i): Willful Failure or Refusal To Establish or Maintain any Record Required by the Act or the CWCR**

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Establish or Maintain any Record Required by the Act or the
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WHEREAS, GEOMET has reviewed the draft Notice of Violation and Assessment, consulted with counsel, and is aware of the allegations made against it and the sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, GEOMET fully understands the terms of this Agreement and the Order ("Order") that the Director of the Office of Chemical and Biological Weapons Affairs, Bureau of Arms Control, Verification and Compliance will issue, as the Secretary of State's designee in this matter, if he approves this Agreement as the final resolution of this matter;

WHEREAS, GEOMET enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, GEOMET states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, GEOMET neither admits nor denies the allegations contained in the draft Notice of Violation and Assessment;

WHEREAS, GEOMET wishes to settle and dispose of all matters alleged in the draft Notice of Violation and Assessment by entering into this Agreement; and

WHEREAS, GEOMET agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS and State have jurisdiction under the CWCR and the State Regulations as set forth in those regulations, in connection with the matters alleged in the draft Notice of Violation and Assessment.

2. The following sanction shall be imposed against GEOMET in complete settlement of the alleged violations of the CWCR relating to the charges specifically detailed in the draft Notice of Violation and Assessment:

a. GEOMET shall be assessed a civil penalty in the amount of \$35,000, the payment of which shall be made in full by cashier's check or certified check payable to the U.S. Department of State, within 30 days of the date of the Order, if issued. Payment shall be sent to the U.S. Department of State, Bureau of Arms Control, Verification and Compliance, Office of Chemical and Biological Weapons Affairs, 2201 C St., N.W., Washington, DC 20520-0000, ATTN: Kevin Farmer, AVC/CBW, Room 2803.

b. GEOMET agrees to waive its rights to raise the defense of Statute of Limitations with regard to the collection of the civil penalty imposed by this

Agreement and the Order, if issued, and that the Statute of Limitations shall be tolled until payment of the civil penalty is made in full.

3. Subject to the approval of this Agreement pursuant to Paragraph 9 hereof, GEOMET hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if issued), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any Notice of Violation and Assessment; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

4. GEOMET will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegations in the draft Notice of Violation and Assessment or the Order, if issued.

5. Following issuance of the Order and payment in full of the civil penalty set forth in Paragraph 2 above, neither BIS nor State will initiate any further administrative proceedings against GEOMET in connection with any violation of the Act, the CWCR, or the State Regulations arising out of the conduct specifically detailed in the draft Notice of Violation and Assessment.

6. BIS and State will make the draft Notice of Violation and Assessment, this Agreement, and the Order, if issued, available to the public, pursuant to Section 719.20(c) of the CWCR.

7. This Agreement is for settlement purposes only. Therefore, if this Agreement is not approved and signed, and the Order is not signed and issued, pursuant to Section 719.19(a) of the CWCR and Section 103.9(a) of the State Regulations, by the

Director of the Office of Chemical and Biological Weapons Affairs, Bureau of Arms Control, Verification and Compliance, as the Secretary of State's designee in this matter, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

8. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if issued. In accordance with Section 719.19(c) of the CWCR and Section 103.9(c) of the State Regulations, this Agreement shall not bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein. For purposes of construction, this agreement shall be deemed to have been drafted by all Parties to the Agreement, and shall not be construed against any Party on the basis that one Party may have drafted or prepared any or all terms and provisions of the Agreement.

9. This Agreement shall become binding on the Parties only after signature by GEOMET and BIS, and if the Director of the Office of Chemical and Biological Weapons Affairs, Bureau of Arms Control, Verification and Compliance, as the Secretary of State's designee in this matter, approves it by signing the Agreement and by signing and issuing the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

10. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective Party to the terms and conditions set forth herein.

GEOMET and its successors and assigns, and in the event of reorganization, all affected entities or units, shall comply with the provisions of this Agreement and the Order, if issued. If GEOMET fails to make full and timely payment of the civil penalty set forth in Paragraph 2 above, GEOMET (and any successor or assignee, or in the event of reorganization, all affected entities or units) shall, consistent with Section 719.21(b) of the CWCER and Section 103.11(b) of the State Regulations, be subject to suit to enforce compliance with the Order, if issued.

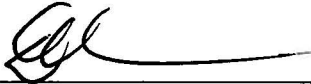
GEOMET TECHNOLOGIES, L.L.C.



James C. Dobbs
Vice President and General Counsel
GEOMET Technologies, L.L.C.

Date: March 7, 2011

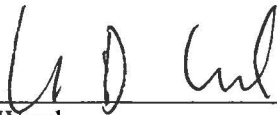
**BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE**



Douglas R. Hassebrock
Director, Office of Export Enforcement
Bureau of Industry and Security

Date: 18 MARCH, 2011

**BUREAU OF ARMS CONTROL, VERIFICATION AND COMPLIANCE
U.S. DEPARTMENT OF STATE**



Kenneth D. Ward
Director, Office of Chemical and Biological Weapons Affairs
Bureau of Arms Control, Verification and Compliance
U.S. Department of State

Date: MARCH 24, 2011

NOTICE OF VIOLATION AND ASSESSMENT

Geomet Technologies, LLC
20251 Century Boulevard, Suite 300
Germantown, MD 20874

Attention: *Paul Kendall*
President

Dear Mr. Kendall:

Pursuant to Section 719.5(b) of the Chemical Weapons Convention Regulations ("CWCR"), the Director of the Office of Export Enforcement, Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has requested that the Secretary of State initiate an administrative enforcement proceeding against Geomet Technologies, LLC, of Germantown, Maryland ("Geomet"). As you were informed on or about December 30, 2009, through a letter of intent to charge accompanied by a draft Notice of Violation and Assessment and proposed Order, BIS has conducted an investigation and has reason to believe that Geomet has committed eight (8) violations of the CWCR,¹ which are issued by BIS under the authority of the Chemical Weapons Convention Implementation Act ("CWCIA" or "the Act").² The Secretary has determined that BIS's request is in accordance with applicable law, and thus hereby alleges, pursuant to her authority under the CWCIA and the CWCR, that Geomet has committed the following violations:

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For the annual declaration on past activities (ADPA) for calendar years (CY) 2004 and 2005, submitted to BIS on or about February 28, 2005 and on or about February 22, 2006, respectively, Geomet willfully failed to declare storage of S-(2-diisopropylaminoethyl) methylphosphonothioic acid ("EA-2192"), a Schedule 1.A chemical under the CWCR, as required by Part 712 of the CWCR. Pursuant to Part 712 of the CWCR, storage of any Schedule 1 chemical must be declared in the ADPA. Information obtained by BIS in connection with the

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² 22 U.S.C. §§ 6701-6771 (1998).

June 2006 inspection of Geomet's facility and during BIS's subsequent investigation indicated that a vial of EA-2192 had been in storage at Geomet since at least 2004. Geomet failed to declare the storage of EA-2192 in its CY 2004 ADPA or CY 2005 ADPA, even though Geomet acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because Geomet employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and Geomet had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at Geomet. In willfully failing to declare the storage of EA-2192 for the CY 2004 and 2005 ADPA declarations, Geomet committed two violations of Section 719.2(a)(2)(ii) of the CWCR.

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For the CY 2005 ADPA submitted to BIS on or about February 22, 2006, Geomet, a declared facility under Section 712.5 of the CWCR, willfully failed to declare the production and also failed to declare the consumption of O-Ethyl O-2-diisopropylaminoethyl methylphosphonite ("QL"), a Schedule 1.B chemical, as required by Part 712 of the CWCR. During the June 2006 inspection of its facility, Geomet asserted that it produced QL as a precursor for the production of VX, but it did not declare this production of QL, or the consumption of QL in its production of VX, as required by Part 712 of the CWCR.

Geomet failed to declare these production and consumption activities, even though Geomet acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because Geomet employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and Geomet had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at Geomet. In willfully failing to declare the production of QL and the consumption of QL in the production of VX in the 2005 ADPA declaration cycle, Geomet committed two violations of Section 719.2(a)(2)(ii).

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Geomet failed to declare the consumption of Di-isopropyl aminoethanol, even though Geomet acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because Geomet employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and Geomet had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at Geomet. In willfully failing to declare the consumption of Di-isopropyl aminoethanol in the 2005 ADPA, Geomet committed one violation of Section 719.2(a)(2)(ii).

Charge 6 15 C.F.R. § 719.2(a)(2)(i): Willful Failure or Refusal to Establish or Maintain any Record Required by the Act or the CWCR

For the CY 2004 ADPA submitted to BIS on or about February 28, 2005, Geomet, a declared facility under Section 712.5 of the CWCR, willfully failed to establish and maintain records related to the declared consumption and subsequent storage of Methylphosphonyldifluoride (DF), a Schedule 1.B chemical, as required by Part 721 of the CWCR. During the June 2006 inspection of its facility, BIS discovered the absence of records related to DF consumption and storage by Geomet at its facility. Geomet declared the consumption of DF in the CY 2004 ADPA, but did not establish or maintain records in support of that declaration relating to the consumption activity, or any amounts of DF that were not consumed and subsequently stored.

Geomet failed to establish or maintain records regarding the consumption and subsequent storage of DF, even though Geomet acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because Geomet employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and Geomet had received further training concerning those requirements through participation in a site assistance visit conducted by BIS at Geomet. In willfully failing to establish or maintain records related to the consumption, and subsequent storage of DF, Geomet committed one violation of Section 719.2(a)(2)(i) of the CWCR.

Charges 7 and 8 15 C.F.R. § 719.2(a)(2)(i): Willful Failure or Refusal to Establish or Maintain any Record Required by the Act or the CWCR

For the CY 2004 and CY 2005 ADPAs submitted to BIS on or about February 28, 2005 and on or about February 22, 2006, respectively, Geomet, a declared facility under Section 712.5 of the CWCR, willfully failed to establish and maintain records, as required by Part 721 of the CWCR, concerning the storage of EA-2192, a Schedule 1.A chemical, on the premises. Information obtained by BIS in connection with the June 2006 inspection of Geomet's facility and during BIS's subsequent investigation indicated that a vial of EA-2192 had been in storage at Geomet since at least 2004.

Geomet failed to establish or maintain records related to EA-2192, even though Geomet acknowledged during the investigation that it had a clear understanding of its CWCR obligations, including because Geomet employees had attended multiple BIS-sponsored outreach seminars that addressed CWCR requirements and Geomet had received further training concerning those

requirements through participation in a site assistance visit conducted by BIS at Geomet. In willfully failing to establish or maintain records related to the storage of EA-2192, Geomet committed two violations of Section 719.2(a)(2)(i) of the CWCR.

* * * * *

Accordingly, Geomet is hereby notified that an administrative proceeding is instituted against it pursuant to Section 501(2) of the CWCIA and Section 719.5 of the CWCR for the purpose of obtaining an order assessing an administrative penalty against Geomet in the amount of \$40,000.

Pursuant to Section 719.6(a) of the CWCR, if Geomet desires a hearing, it must request a hearing in writing within 15 business days of the postmarked date of the NOVA. If Geomet requests a hearing, Geomet must submit an answer to the NOVA within 30 days from the date of the request for a hearing. The request for a hearing, and the answer, must be filed with the administrative law judge (ALJ), with a copy of the NOVA and the proposed Order, and served on the Office of Chief Counsel for Industry and Security, U.S. Department of Commerce, and other addressees as applicable. If Geomet fails to file a request for a hearing and an answer within the time limits imposed in Section 719.6 of the CWCR, that failure will be treated as a waiver of Geomet's right to appear and contest the allegations set forth in the NOVA and proposed Order, and the proposed Order will be signed and become final and unappealable. *See* 15 C.F.R. § 719.6(d).

Geomet may be represented by a duly authorized officer or employee, or by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. § 719.7.

The CWCR provide for settlement without a hearing. *See* 15 C.F.R. § 719.19. Should Geomet have a proposal to settle this case, Geomet or its representative should transmit it to the attorney in the Office of Chief Counsel of BIS named below.

The U.S. Coast Guard is providing administrative law judge ("ALJ") services in connection with the matters set forth in this letter. Accordingly, Geomet's answer and its request for a hearing (if it requests a hearing) must be filed, in accordance with the instructions in Section 719.8 of the CWCR, with:

CWC Administrative Enforcement Proceedings
U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

The U.S. Department of State is a party to this proceeding under the CWCR, but will be represented by the Office of Chief Counsel for Industry and Security of the U.S. Department of Commerce ("Office of Chief Counsel"). *See* 15 C.F.R. §§ 719.7, 719.8(b). In addition to filing its answer and any request for a hearing with the ALJ, copies of the answer must also be served

Geomet Technologies, LLC
Notice of Violation and Assessment

on the Office of Chief Counsel at the following address:

Office of Chief Counsel for Industry and Security
Attention: Rochelle D. Woodard, Esq.
United States Department of Commerce
1401 Constitution Avenue, N.W.
Room 3839
Washington, D.C. 20230
Telephone: (202) 482-5301
Facsimile: (202) 482-0085

Rochelle Woodard of the Office of Chief Counsel is the attorney representing the U.S. Government in this matter. Any communications that Geomet may wish to have concerning this matter, including any settlement communications, should occur through Ms. Woodard. She may be contacted at the Office of Chief Counsel address and telephone and facsimile numbers listed above.

Sincerely,

U.S. Department of State

Enclosures